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| DISPATCH                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       | CLASSIFICATION         | PROCESSING ACTION                      |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                       | SECRET                 | MARKED FOR INDEXING                    |
| TO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Chief, EUR                                            |                        | NO INDEXING REQUIRED                   |
| INFO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Chief of Station, C J                                 |                        | ONLY QUALIFIED DESK CAN JUDGE INDEXING |
| FROM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Chief of Base, C J                                    |                        | MICROFILM                              |
| SUBJECT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | CASUSTAIN<br>Counterintelligence Review - CASUSTAIN-5 |                        |                                        |
| ACTION REQUIRED - REFERENCES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                       |                        |                                        |
| <p>References: A. C J 22167<br/>B. DIRECTOR 400397</p> <p>1. Attached is the CI study on CASUSTAIN/5 conducted per discussions with the Chief of Station.</p> <p>2. As described in the attached, we have continued meeting the agent each month with occasional brush contacts for passage of materials to supplement the longer personal meetings. As he has neither been informed of our knowledge of his CAZAMIA relationship nor of our termination plans, he has been given assignments consistent with those in the past. We intend terminating him in June 1973.</p> |                                                       |                        |                                        |
| <p>Attachments:<br/>Operational Evaluation h/w<br/>CI Study u/s/c (split trans)</p> <p>Distribution:<br/>3 C/EUR w/atts<br/>2 - COS, C J w/o atts</p> <p>S/C ATT'D BY TB/AN<br/>Dated 31 MAY 1973</p>                                                                                                                                                                                                                                                                                                                                                                        |                                                       |                        |                                        |
| <p>7001 15 22 54 13</p> <p>2 ATT</p> <p>161671</p> <p>REF COPY</p> <p>IMPDET</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                       |                        |                                        |
| CROSS REFERENCE TO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DISPATCH SYMBOL AND NUMBER                            | DATE                   |                                        |
| FORM 48 DE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | EGGA-5657                                             | MAY 1973<br>7 May 1973 |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | CLASSIFICATION                                        | HQS FILE NUMBER        |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | SECRET                                                |                        |                                        |

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHODSEXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2005

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## CONCLUSIONS

Subject is a Source of CAZAMIA and has been in their employ as claimed in varying roles and in varying degrees since at least 1958. There is no evidence that he has fabricated reports for either CAZAMIA or BKHERALD, although there are indications that he seems susceptible to side-reporting to an organization such as [ ] [ ] There is no concrete evidence to support an assumption that he is under the witting control of a hostile service. No significant BKHERALD/LNBHZZ interests have been affected by Subject's dual role, although some threat still exists to an active case handled by [ ] [ ] Base.

## NARRATIVE DESCRIPTION OF THE OPERATION

1. Subject initially came to our attention in 1958 when a Vienna Station officer, an erstwhile friend and former school-mate of Subject, introduced him to a Hamburg Base officer as an agent candidate. The Hamburg Base officer was introduced in true-name, identified as a BKHERALD officer under [ ] [ ] cover. Prior to the introduction, Subject requested that his future Hamburg Base contact not be informed of his agent status with CAZAMIA. While the record is unclear on the details of this, it would seem that Subject was not actively seeking employment with BKHERALD but rather assisting his Vienna friend. It is evident that the fact that he was working concurrently with CAZAMIA was taken into consideration at least by his early handling officers. In the years that followed, Subject was targeted against the VLIVIGOR target and later the New Left and, beginning in 1968-69, he was targeted against CKPOLARS, Landesfreundschaftskomitee and Base support requirements. While his positive reporting throughout the BKHERALD relationship was marginal, his operational reporting appears to have been accurate, timely, and often useful. The question of continued CAZAMIA contact was resolved at least in BKHERALD's mind after the SCSWIRL of 1965.

2. That he was a source of CAZAMIA came to light on 4 December 1972 when during a routine lunch [ ] [ ] handed COB, [ ] [ ] several photographs of Subject, Subject's son, an as yet unidentified individual, and his present BKHERALD case officer. The photos were taken in November by a CAZAMIA surveillance team immediately after Subject and his BKHERALD case officer held a meeting in downtown Hamburg. Surveillance had been mounted as a result of "the suspicion

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that Subject was in contact with another service." No other details were provided at the time. [ ] correctly identified our officer and mentioned that there was no real concern about Subject from their standpoint, but that he has been a CAZANIA agent for years. Subsequent discussions with Subject's CAZANIA case officer revealed that Subject had a working relationship with CAZANIA since at least 1958; these claims were supported when CAZANIA provided us with Xerox copies of Subject's recent reporting. If Subject indeed was in their employ steadily since his recruitment, this was not revealed nor did we judge it nollitic to probe for details. CAZANIA had Subject working against the same targets as BKHERALD: VLVIGOR and the New Left. The CAZANIA files we reviewed indicated that he provided us with more details than he did CAZANIA, but what else he might have provided orally to CAZANIA is unknown. CAZANIA appears to have accepted our assurances that Subject was not a highly active or productive case, as they have not pressed for operational or substantive reporting details.

## OPERATIONAL TRADECRAFT SUMMARY

### THE RECORD

3. Succinctly, Subject's bona fides have never been fully established. Routine traces were conducted in 1958, although Hamburg Base records lack the full results of the vetting. CENTREG and BDC traces were requested in January 1973. Subject was given an SGSWIRL in 1965 chiefly to determine if he had severed contact with CAZANIA, and while officially he was given a clean bill of health, Base files indicate that he had some unspecified problem which, in retrospect, should have been resolved immediately or by a subsequent SGSWIRL.

4. The initial fissure in the case was his CAZANIA contact, but it appears that BKHERALD took this into consideration at least at the outset. When asked later about the relationship, Subject stated that the contact had been severed, which might have been the truth at the time of the SGSWIRL. Had more contact reports have been written and critical CI reviews conducted by successive handling officers, steps might have been taken to resolve the question of his loyalty. Pro-forma reviews might have enabled

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his handlers to have "known" Subject also in the truest sense. The details of his relationship with the local HIAG has not been resolved. Finally, there is no evidence that he was put through a series of operational tests designed specifically to check his reporting, his loyalty or his trustworthiness.

## THE AGENT

5. Subject appears to be an energetic individual, armed with a good intellect, an inquiring mind, a methodical approach to assignments and a good memory for facts and details. He appears to be able to think logically, clearly and in practical terms. In certain things he is impulsive and in his overall makeup, there are indications of compulsiveness. His apparent need, not to sneak of his ability, to work with two clandestine services for over a decade does not mirror a completely emotionally stable individual in clinical terms. The man seems to have a conscience, as reflected in his concern for his family, but his sense of ethics appear fuzzy. It would seem that common sense would dictate over a period it could be unethical to sell the same product to two organizations, even when the ethics of clandestine services may be arcane. It appears that his real motivation is a need for affiliation, a power motive and need for recognition.

6. It appears that Subject has more loyalty to BKHERALD than to CAZANIA. We provided him with a steady income when he was unemployed and even now, CAZANIA seems niggardly when it comes to agent salaries. It would seem too that our officers are less bureaucratic, more imaginative than are those in CAZANIA and, more important, they represent the most powerful country in the world. It could be heady wine. Subject is a "natural" clandestine agent, obviously enjoying the game of working with at least two services without their knowledge. It seems that Subject slid into the relationship with BKHERALD and while he may have had some initial reservations about playing a double-role, it soon became apparent that he could handle it with a minimum of trouble and

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he simply continued it. Moreover, there was no conflict of interest in what he was asked to do. He just omitted certain details. Thus, his actions could be fully rationalized. From the pragmatic side, working with CAZAMIA could also provide cover for his BKHERALD work should he be compromised in the process; were an operation to blow, his status could be checked through CAZAMIA. It was an insurance policy. Presumably his reasons are for working with CAZAMIA patriotism as well as the need for recognition and cash.

7. Viewing it in a sinister vein, Subject could be providing identical information to HIAG contacts involved with [ ] [ ]. Given the probable enjoyment he receives from having two listeners, axiomatically he would receive greater pleasure by having a third. Obviously, if he could handle two services, he could handle a third customer. Subject has no specific party leanings; rather, he identifies with what he terms the "radical center", which is an amalgum of social reform and conservative thought with political overtones. The record suggests that Subject's prime loyalty is to himself and to his own political orientation and its adherents. His disinclination to expatiate on his Waffen SS days and his HIAG ties, suggests that if he has strong affiliation needs, it could well be that he is reporting also to HIAG. The concealment of his CAZAMIA work suggests by extension that he is hiding possible HIAG work. [ ] Base has evidence that a reporting source of [ ] comprised of HIAG members exists in Hamburg. Would the information he has been supplying both CAZAMIA and BKHERALD be of interest to [ ]? We believe it would. Similarly, would it also be of value to a hostile service? We think it would be here too, not only the substance, but also the operational information he has assembled over the years, on at least his CAZAMIA case officers. His inappropriate inquisitiveness about BKHERALD personnel tends to substantiate the conclusion that he is keeping book on us as well.

## THE OPERATION

8. There is no evidence that the mechanics of his handling by BKHERALD officers was insecure; as a support asset, his handling

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was most secure.

9. No significant damage has been done as far as can be determined. Nevertheless, Subject knows several staff officers under true name and probably assumes that the Base is still located in LNFALL. More importantly, it must be assumed that he is aware of the recruitment of someone in [ ] although we are fairly certain that he is unaware of who specifically was eventually recruited. If Subject's termination is fully amicable, the possible damage to that operation can be minimized.

## DISPOSAL PLAN

10. Subject must be terminated and the target date set for July 1973. This will be a phased termination, using his departure as the first step and [ ] as the second. The reason to be given Subject is the reduction of funds and personnel. He has been through BALPA and OPRED with us and is aware of such periodic reviews and cutbacks and it should come as no shock. The termination presented in the nature of a "temporary" suspension of the operation part of the script will be to obtain his commitment to accept contact again if needed in the future. A bonus paid as faith money should assuage some of the pain involved. As CAZAMIA intends to continue the contact as a political source, Subject will continue receiving extra cash and an outlet for his affiliation - power association need. No SGSMIRL is contemplated, lest he conclude that he is being terminated for security reasons. There are strong arguments for an SGSMIRL to resolve outstanding questions, but on balance, no SGSMIRL should be given prior to his termination to preserve the [ ] operation.

11. We plan to remain as forthcoming as possible with CAZAMIA at least on the surface, advising them of our plans and keeping them abreast of the requirements being levied over the next few months. While one of the main reasons for this is to preserve our liaison equities; however we have no intention of providing them with the contents of our files. We intend to inveigh upon them to resist the temptation to "punish" him, for such action would serve no useful end and could engender bitterness at both services. We should take our lumps, since it was CAZAMIA and BKHERALD who allowed Subject to take the latitude he took.

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